Tells the Facts and Names the Names

CounterPunch

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The Budget Deal Fraud

The great budget deal hashed out between Bill Clinton and Congress was one of those tragi-comic affairs in which all parties, including the press, agree to keep a straight face and a pious demeanor while the crude business of transferring money from the many to the few is undertaken with all due dispatch.

On May Day there was a clamor from the Democratic liberals who yelled that they couldn't stomach a package that included the infamous adjustment to the Consumer Price Index, cuts in Medicare, plus handouts to the rich in the form of a cut in the capital gains and estate taxes. Simultaneously the right-wing Republicans, led by Phil Gramm, said that they too might vote against the deal, on the correct position that a lowering in the CPI would spell a tax increase as the CPI readjustment pushed people into higher brackets.

The very next day came news from the Congressional Budget Office that higher than expected tax receipts meant that an extra $45 billion a year would be available through 2002. The Republicans agreed to give up on the adjustment to the CPI and the Democratic liberals went along with the deal. Saturday's newspapers solemnly hailed the historic bargain.

In fact it was truly the apotheosis of Clintonism: a budget negotiation in which three premises went entirely unchallenged: the budget had to be balanced, there could be no cuts in military spending and no hike in taxes on the rich. For Clinton to claim victory was as though Pontius Pilate told the disciples of Christ that he'd mandated stainless steel nails for the crucifixion and quality vinegar for the centurion's sponge.

The White House clearly knew the extent of its surrender, being desperately eager to keep its fingerprints off the deal on capital gains and estate taxes. All the news stories that weekend noted that although there had been broad agreement on the cuts, it would be up to Bill Archer, the Texan Republican chairing the Ways and Means Committee, to broker the actual amounts. Since Archer's mission in life is to cut taxes for the rich, this was in fact a surrender of grotesque proportions.

As that old Bolshevik Ulyanov used to ask, in trying to assess winners and losers in the class struggle, "Who? Whom?"

Who does what to whom? "Who" – the winners – are the rich. Take the agreement to increase the exemption on estate taxes. Out of 23 million estates in probate in one recent year, a mere 31,000 were worth more than $600,000, which is the threshold (soon to be raised) at which estate taxes kick in. Only two percent of households actually pay estate taxes, and so a cut will be a gift to the very rich – the top 1 per cent - who have seen their incomes rise by 88 per cent between 1977 and 1995, while the lower 60 per cent have seen a 1.5 per cent fall in the same period. "Whom" – those losers in the Clinton era – are the poor. Last year they lost Aid to Families With Dependent Children and now they're seeing Medicaid being whittled down (though the attack on Social Security is not going as well as those exuberant Wall Streeters predicted at the start of the year).

As to capital gains taxes, they've already been cut during the last two decades, falling from 39 per cent to 28 per cent (and between 1981 and 1986 they were 20 per cent). The huge majority of capital gains go to families with incomes of $200,000 and up. Average capital gains for people with incomes of $10,000 or less are $20 annu-

(continued on p. 8)

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Our Little Secret

Eileen McNamara: 1997's Janet Cooke

The Eileen McNamara affair is bidding to become a first-class scandal. A couple of weeks ago we described here how McNamara, awarded a Pulitzer this year for "Commentary" in the *Boston Globe*, faked an important column at the start of this year. McNamara falsely suggested to her readers that she had attended a Day of Contrition in Salem on January 14 and concocted a virulent though entirely imaginary version of what was being said.

The Day of Contrition was attended by people wrongly imprisoned in the hysteria over Satanic abuse in day-care centers, starting in the early 1980s. Present were many prominent defenders of the unfortunates – Kelly Michaels, the Buckeys, the Amiraults.

McNamara has been a rabid advocate of the guilt of the Amiraults, a family which had run a day-care center in Malden, Mass. In 1984 Violet Amirault, her daughter Cheryl and her son Gerald were accused of the usual grotesque crimes and sentenced to many years in prison. At the time of the Day of Contrition Violet and Cheryl Amirault were out on bail pending a review of their case by the Supreme Judicial Court of Massachusetts, which would soon be issuing its judgment.

The *Globe*'s only coverage of the Day of Contrition was a savagely partial one – from McNamara, who wasn't there.

THE ROLE OF THE GLOBE

Plainly, the position of the *Boston Globe*, New England's leading newspaper, on the matter of whether the Amiraults had been the victims of a dreadful miscarriage of justice would play a role in the reflections of the seven judges on the state's highest court. Although the Day of Contrition received heavy coverage throughout New England, the *Globe* sent no reporter. The only account – a savagely partial one – came from McNamara, who wasn't there.

As soon as McNamara's column appeared, participants in the conference wrote to the editor of the *Globe*, charging McNamara with deception, as was transparently the case. In her column she had said that the meeting was at the Peabody Essex Museum as stated in pre-conference press releases, though at the last moment the affair had been moved to Salem's Hawthorne Hotel. Furthermore, participants had been carefully scrutinized and registered, partly as a security precaution.

The *Boston Globe* refused to print any of the letters from the organizers or from the two moderators, a Bennington professor and a well-known former *Time* correspondent, a fact scandalous in and of itself, but even more disreputable when we recall that the editors knew well that McNamara's columns had been submitted for a Pulitzer.

On April 6 there was a rally in Boston in support of the Amiraults. A *Globe* reporter did extensive interviews with keynote speaker Alan Rubenstein, DA of Bucks County, PA, and also a participant at Salem, and with Dorothy Rabinowitz of the *Wall Street Journal*, who had written many columns in support of the Amiraults. No story on the rally appeared in the *Globe*; but then, in her weekly column, McNamara attacked the Amiraults' supporters as uninformed outsiders who hadn't attended the trial or read the transcripts – an untrue charge although it's clear that McNamara herself is not familiar with the details of the case.

THE PULITZER INDUSTRY

Two days later the Pulitzer prize winners were announced. McNamara took the award for "Commentary", a startling achievement for someone who had been writing columns for only a year and a half, though the triumph diminishes in stature when we consider the small, airless world of the Pulitzer industry, dominated by the *New York Times* (which owns the *Boston Globe*), by the *Washington Post*, by outfits such as AP and the Nieman-Columbia Journalism School axis. (McNamara is a former Nieman fellow.) The jury considering applicants for the Commentary award consisted of five people, three of whom had either worked for the *New York Times* (Martin Tolchin and Richard Reeves) or for a subsidiary (Paul Tash, executive editor of the *St. Petersburg Times*). The commentators short-listed by this jury were three in number: McNamara, Tony Kornheiser of the *Washington Post* and Deborah Work of the *Sun Sentinel* in Fort Lauderdale. From this trio the Pulitzer Prize Board, nineteen in number, picked McNamara.

In the wake of the announcement an Amirault supporter named Bob Chatelle

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wrote to the *Globe*, once again raising the matter of McNamara's January deception. He sent copies of his letter to a large number of people, including us here at **CounterPunch** and also Dorothy Rabinowitz, who urged him to withdraw it, on the grounds it might be unhelpful to the Amiraults. He did so.

This most certainly *didn't* help the Amiraults. On April 28 the State's Supreme Judicial Court issued its decision agreeing that an injustice had been done the Amiraults, in that they had been unable to face their accusers (the court permitted the children to face the jury) but holding that this was of small account and they should go back to prison.

①BESTIALITY ALLEGED

At this point **CounterPunch** ran its story on McNamara's lies. The story was seen by a reporter at the *Wellesley Watch*. McNamara lives in Wellesley. He tried to call McNamara for comment, but as with our effort to talk with her, she failed to return his call. But no sooner had his item appeared in the *Watch* than McNamara called the editor in a fury, once again failing to deal with the issue (whether she lied about her dateline) and saying that **CounterPunch** had got the story from an advocate of bestiality. (We depend here on the *Watch* reporter's account of the conversation as relayed to him by his editor.)

McNamara's allusion was apparently to Bob Chatelle and once again she was wrong, since we've been taking a keen interest in McNamara ever since January 15. Nor has Chatelle ever advocated relations with beasts of the field, or - so far as we know - birds of the air, or those things that crawleth upon the ground.

On May 6 Massachusetts Appeals Court Judge Robert Barton, presiding over requests by the prosecution that the Amiraults (Violet is now 74 and weighs under 100 pounds) be returned to prison on the grounds they might pose "a risk" to the community. The Amiraults' lawyers called both for bail to be extended and for a new trial, on the grounds they had been inadequately represented in the original trial. Barton, his voice apparently shaking with emotion, said that in his view the decision of the Supreme Judicial Court had been an injustice to the Amiraults so grave that he could not preside over their fate with impartiality. He recused himself.

The *Globe* chose to run this explosive development on an inside page. Its main offering that day on the Amirault affair was a truly squalid piece of work by two *Globe*reporters, David Armstrong and Kevin Cullen, under the headline "Amirault supporters have diverse agendas." It seems that McNamara - she has a desk in the *Globe* newsroom - had pushed for an article extending her slurs on Chatelle, and the two reporters had done their sordid duty, reporting that "among the Amirault supporters are some who condone consensual sex between adults and minors" while adding dutifully in the next paragraph that "The vast majority of Amirault supporters don't hold such controversial views, and worry that those who do will discredit their cause." This is the oldest stratagem in the Smearer's Handbook.

The legal and journalistic establishment of Massachusetts has a big stake in continuing to railroad the Amiraults.

The *Globe* reporters had scoured through Chatelle's writings. Though they were unable to substantiate McNamara's wild charges they found a tranquil commentary about consensual man-boy relations. These they triumphantly high-lighted, though they did record Chatelle's retort that his views on sexual consent laws were entirely unrelated to the Amiraults, in whose innocence he strongly believed.

②THE COVER-UP UNRAVELS

The legal and journalistic establishment of Massachusetts has a big stake in continuing to railroad the Amiraults.Scott Harshbarger,the DA who prosecuted them, is now the state attorney general. He is vying for the Democratic nomination for the governorship against Joe Kennedy. Seeking to replace Harshbarger as attorney general is Tom Reilly, District Attorney of Middlesex County and one of the team which prosecuted the Amiraults. Reilly is a prime source for McNamara, who has every intention of pleasing him. The *Boston Globe* has a truly enormous stake in saving its Pulitzer prize-winning columnist from the fate of Janet Cooke.

But honesty will out, sort of. On May 8 the *Boston Herald* published a story about **CounterPunch**'s exposé of McNamara. As is her wont, McNamara declined to return calls from the *Herald*'s reporter, Tom Mashberg. But he finally elicited this official response from the *Globe*'s executive editor, Helen Donovan: "The column did not purport to report on the event itself. It purported to represent the views of the people there and the surrounding literature. And since she went to Salem to get their materials it seems the dateline was legitimate."

Kind of half-hearted, isn't it?

Right after this quote from Donovan, Mashberg quoted Hopkins to the effect that McNamara's signature was not on a register used by reporters seeking press packets. And indeed why would McNamara have driven all the way to Salem just to get a press packet, and still somehow not take in the fact that the venue had switched. It's a cover-up that's getting pretty flimsy.

Associated Press has strict rules about the use and misuse of datelines. AP president and CEO Louis Boccardi was a member of the Pulitzer Prize Board that selected McNamara. Seymour Topping, formerly of the *New York Times*, is now administrator of Columbia's School of Journalism, thus instructor in journalistic ethics to impressionable youth. He was on the Board. Sissela Bok, author of a book on lying, was on the Board. William Safire, taproom moralist, was on the Board. How do they all feel now about this faker?

The Pulitzer Prize industry has always been squalid. This story merely highlights the squalor once more. But the truly horrible aspect of the scandal is that McNamara has assisted in the torment of three innocent people,has been rewarded for this, and the *Globe* has abetted her deceptions.

But the tide is turning. On May 9, Judge Isaac Borenstein, Barton's replacement, granted a new trial to Violet and Cheryl Amirault and said he would allow the women to remain free on bail. ■

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A Brief Guide to Our Time$

The CounterPunch 25

With tax time but a recent memory, we at **CounterPunch** think now is a fine opportunity to tote up an informal national balance sheet. The chart on page five – in which we present a series of indicators for a random sampling of 25 corporate giants – offers a succinct guide to understanding three important questions about economic and political developments in 1996: who won, who lost and why?

For the rich these are the best of times. Profits at Fortune 500 firms rose by 23.3 per cent last year, helped along by what *Fortune* magazine termed "an almost magically favorable economic climate", nourished by low interest rates and "benign labor costs". Among the 25 companies we examined, this potent brew produced increased profits of a gargantuan 4,150 per cent at AT&T, 180 per cent at Chevron and 97 per cent at Lockheed.

Corporate salaries are also soaring. *Business Week* exclaimed on its April 21 cover that executive pay is "Out of Control". Last year, the average salary and bonus for CEOs rose by 39 per cent, to $2.3 million. Total compensation, including retirement benefits, incentive plans and stock option packages, went up 54 per cent, to $5.7 million. Lawrence Coss of Green Tree Financial was the nation's highest paid chief executive, raking in $102 million in 1996. In the No. 2 spot was Andrew Grove of Intel, who had to content himself with a mere $97.5 million.

None of the CEOs on our select list made less than $1 million last year – Georgia-Pacific's A.D. Correll came in last with $1.3 million – while eight took home more than $10 million. The leader was John Welch of GE, whose compensation package totaled $27.6 million. That amounted to a raise of 18 per cent for 1995, though GE's profits for the year climbed by 10.8 per cent, less than half the average among Fortune 500 firms.

Salaries for workers rose by about 3 per cent last year, leaving average compensation for CEOs at 209 times higher than that of factory workers.

Meanwhile, rich Americans are paying less and less to the Treasury in the form of taxes. In mid-April *The New York Times* reported that 2,400 Americans with annual income of $200,000 or more paid no taxes in 1993, compared to just 85 in this category who escaped paying taxes in 1977. Tax avoidance has increased because of new loopholes created by Congress and because the IRS has reduced its audits of the rich. At the same time, the agency has increased audits of people earning $25,000 per year or less.

Elected leaders implement policies behind the favorable economic climate, since they depend on corporate cash.

The *Times* predicts that the number of rich Americans who pay little or no taxes will grow in coming years because Congress passed a major tax break for landlords in 1993. Congress is currently seeking to reduce estate taxes, which would produce another windfall for the very rich. This effort is being led by the GOP but two Democratic senators – Robert Torricelli of New Jersey and John Breaux of Louisiana – support a "compromise" proposal that would raise the current exemption on estate taxes from $600,000 to $1 million.

Corporations are also avoiding tax payments. The AFL-CIO recently revealed that two loopholes used by corporations with operations overseas – the foreign tax credit and tax deferral on foreign income – cost the treasury about $24 billion per year. Overall, federal corporate income taxes have declined from 30.1 per cent of total tax revenues during the 1940s to 12.2 per cent in 1996.

Though the statutory income tax for corporations is 35 per cent, many of the firms on our list paid far less. Figures are for 1995, the last year they were available. Coca-Cola's tax rate was 31 per cent. The difference may seem small but it amounts to a net loss to the treasury of $185 million. American Express paid 28 per cent; Lilly paid 26 per cent; and GE a mere 24 per cent. The champion of tax avoidance though, was Boeing, whose tax rate for 1995 was minus nine per cent. That translates into a rebate of $33 million. McDonnell Douglas, the company with which Boeing plans to merge, did even better. It received a 1995 tax rebate of $334 million.

Huge corporate profits and low taxes for the wealthy do indeed result from a "favorable economic climate", but there's nothing magical about it, as *Fortune* would have you believe. Elected leaders implement the policies behind the favorable climate, a natural outcome since politicians depend on cash from corporate America to finance their political advancement. Total soft money contributions to the parties hit $263.5 million during last year's elections, three times higher than the amount given in 1992. Contributions from Political Action Committees came to another $193 million.

The **CounterPunch** 25 were generous donors, shelling out an average of just more than one million dollars in PAC and soft money contributions in 1996. The top donor was Phillip Morris, which invested $4.2 million in the two parties and their elected representatives. The thriftiest firm was Procter & Gamble, which spent a modest $237,525 for political donations. Political giving is strictly bipartisan, with all of the companies on our list donating to both major parties.

What campaign contributions can't buy, lobbying can. The **CounterPunch** 25 spent a combined $94 million to lobby government last year, an average of roughly $3.7 million each. Figures range from the $19.6 million dispensed by Philip Morris to the relatively modest $440, 000 spent by Ford.

Keep in mind that we include here only money the companies spent to support their direct corporate efforts. All these firms also spend lavishly for lobbyists at outside firms. Lockheed, for example, retains at least two dozen beltway lobby shops to supplement its own efforts, while Fedex has an additional 10 firms on retainer. To push for renewed Most Favored Nation trade status for China, Boeing hired seven outside lobby shops, paying them at least $160,000 for their efforts.

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Campaign contributions and influence peddling expenditures bought our firms a whole host of benefits. Let's start with access. Lobbyists and executives from Merrill Lynch, Dow, Coca-Cola, At&T and Philip Morris attended White House coffee klatsches. Officials from Enron and Fluor were invited on Commerce Department trade junkets during the reign of the late Ron Brown. ARCO chieftain Lodwrick Cook attended Clinton's birthday party at the White House a few years back.

When you consider the enormous benefits bestowed on Corporate America by the White House and Congress, the big sums companies spend to win favors in the capital amount to chump change. To cite just a few examples regarding firms from our list:

- Lockheed and other arms contractors scored several huge victories these past few years. These include approval of a new $15 billion arms export loan guarantee fund to underwrite foreign sales, and the Pentagon's decision to subsidize the cost of defense mergers Lockheed submitted bills for about $1 billion following its 1996 purchase of Martin Marietta, including tens of millions to pay for golden parachutes for departing executives. In an impending triumph for the arms makers, the Clinton administration is set to approve renewed sales of advanced weaponry, including top-of-the-line aircraft, to Latin America.

- Bruce Babbitt's Interior Department granted exemptions from the Endangered Species Act to both Georgia-Pacific and International Paper. As a result, those two companies will be able to log forest land in the southeastern United States that is home to the endangered Red Cockaded Woodpecker.

- In 1995, the Fluor Corporation, a global engineering company based in Irvine, California, won a $5 billion contract from the Department of Energy to handle disposal of radioactive waste at the Hanford Nuclear Reservation in Riceland, Washington. The contract was awarded by Deputy Secretary of Energy, Thomas Grumbly, who is a close friend of Peter Knight – head of the Clinton/Gore re-election campaign and one of Fluor's DC lobbyists.

- AT&T will reap huge profits from passage of the Telecommunications Act of 1996. So will AT&T Wireless, its cellular phone division. Shortly before Congress passed the Act, AT&T's lobbyists inserted a clause that freed the company to merge its cellular and long-distance operations, and to automatically assign AT&T as the long-distance carrier of its cellular phone customers. The Justice Department had ordered the company to do precisely the opposite when, in 1995, it allowed AT&T to buy McCaw Cellular Communication, Inc.

- Along with fellow pesticide makers Dupont and Monsanto, Dow was the prime sponsor of a legislative bid to destroy the Delaney Clause, which allowed for no pesticides in processed food. Congress did away with Delaney last year.

- Early last year, the Food and Drug Administration okayed the use of olestra, the fat substitute made by Procter & Gamble. Approval – which has been delayed because olestra causes diarrhea and depletes important nutrients – will mean billions to P&G. ■

COMPANY	REVENUES (billions)	FORTUNE 500 rank	CEO PAY	'96 profit (% change from prev. yr.)	CAMPAIGN MONEY	LOBBYING
AMEX	$17.2	64	$10.3	+21.5	$469,950	$1.0m
ARCO	$19.1	52	$3.1	+20.9	$1.41m	$4.3m
AT&T	$74.5	7	$6.7	+4,150	$1.82m	$8.4m
BANKAMERICA	$22.1	38	$4.9	+7.8	$919,440	$1.9m
BOEING	$22.6	36	$7.9	+179	$770,000	$5.2m
CHEVRON	$38.6	15	$3.5	+180	$1.1m	$1.6m
COCA-COLA	$18.5	58	$16.1	+16.9	$685,040	$920,000
DOW	$20.1	45	$2.9	-8.2	$578,595	$1.5m
ENRON	$13.2	94	$7.3	+12.4	$858,571	$530,000
FEDEX	$10.2	136	$2.1	+3.4	$1.88m	$3.1m
FLUOR	$11.1	123	$3.4	+15.7	$745,000	$800,000
FORD	$146.9	2	$6.9	+7.4	$458,290	$440,000
GENERAL ELECTRIC	$79.1	5	$27.6	+10.8	$1.08m	$450,000
GEORGIA-PACIFIC	$13.0	100	$1.3	-84.7	$527,576	$8.9m
IBM	$75.9	6	$10.3	+29.9	NA	$4.9m
INTL. PAPER	$20.1	44	$5.4	-73.7	$824,720	$2.5m
LILLY	$7.3	194	$6.6	-33.5	$931,991	$4.2m
LOCKHEED	$26.8	26	$23.1	+97.5	$1.26m	$3.5m
MERRILL LYNCH	$25.0	30	$13.3	+45.3	$712,727	$2.9m
N. WEST AIRLINES	$9.8	147	$6.7	+36.8	$728,175	$2.7m
PFIZER	$11.3	118	$13.2	+22.6	$774,995	$8.3m
PHILLIP MORRIS	$54.5	10	$8.5	+15.7	$4,19m	$19.6m
PROCTER&GAMBLE	$35.2	18	$3.5	+15.2	$237,525	$2.6m
TIME WARNER	$10.1	141	$6.3	0	$1.1m	$2.9m
WMX	$10.3	134	$1.8	-68.2	$633,000	$880,000

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"But Who Can We Support?"

The Good Guys In Green

Over the past couple of years **CounterPunch** has laid waste most of the mainstream environmental movement and one consequence has been a steady stream of enquiries from readers eager to do the right thing but unsure about what organizations are worth giving to. We approach this matter of the truly deserving in a cautious spirit. Today's lean defender of nature can easily turn into tomorrow's sell-out scion of the Environmental Grantmakers Association. So if you need an update before writing a check, give us a call.

Let's start with environmental justice groups. As so often happens in the enviro sphere, there's a lot more talk than action. By "environmental justice" we mean groups responding to the way poor and minority communities end up as involuntary hosts to toxic waste dumps, incinerators and polluting industries such as pulp mills, chemical plants and sludge fields.

In 1987 the United Church of Christ put out a report called "Toxic Waste and Race in the United States". It found that predominantly black communities were two to three times more likely to be targeted for toxic waste dumps than middle class white areas. No surprise here for the black communities, but the news electrified the large national green organizations which had long been denounced for indifference to the environmental afflictions of the poor. Grants from Rockefeller, Ford and Pew (foundations whose corporate progenitors have ably assisted in providing the pollution under review) were quickly doled out to biggies such as the National Wildlife Federation, National Audubon and the Sierra Club Legal Defense Fund.

It's unclear what – beyond organizing conferences and composing position papers – NWF and National Audubon did with their money (over a million dollars each since 1990). The Sierra Club Legal Defense Fund (which has recently changed its name to Earth Justice) promised that it was going to launch a host of legal suits against the polluters, using the Civil Rights Act as a battering ram. Few of the suits materialized and Veronica Eady, the black woman attorney hired to run the environmental justice division at the firm's San Francisco office, quit last year, saying that SCLDF had used her and the environmental justice issue mainly to raise money and get the group good press.

SCLDF knew it was on to a good thing and so did the Clinton White House. In 1994 the "environmental justice" bandwagon got a shove when Clinton signed an executive order requiring all federal agencies to take issues of environmental justice into consideration in all their activities. On the eve of the 1996 Democratic Convention in Chicago the theme of environmental justice got more airtime when Clinton ordered the EPA to accelerate the clean-up of toxic "brownfield" sites. (Typically these would be old industrial areas not quite poisonous enough to fall within the purview of Superfund.) Federal clean-up funds have been provided and have fulfilled the predictable mission of turning abandoned lots – often on canal or river frontage – into desirable sites for middle-class condominia, which is perhaps just as well since Clinton has agreed to cut funding for low-income housing in the interest of a balanced budget.

Much environmental justice work is wheel-spinning by grantmakers, academics, and politicians.

Much environmental justice work is wheel-spinning by academics, grantmakers and liberal politicians. So why not help:

• **People for Responsible Communities**, a group started by Hazel Johnson in southeast Chicago. Johnson calls her neighborhood "the toxic doughnut – because our community is all black, surrounded by landfills, steel mills, chemical plants, illegal dumps and incinerators." PRC has been the bane of many a Chicago politician and industry executive. Most recently Johnson's group has fought off plans by Waste Management to expand its toxic waste facility near Altgeld Gardens. (PRC, 13116 S. Ellis Ave., Chicago, Illinois, 60627 (773) 468-1645)

• **Southwest Organizing Project**, in Albuquerque, New Mexico. Jean Gauno and Michael Leon-Guerrero lead a group that helps poor rural and urban Hispanics in northern New Mexico who have been victims of environmental injustices for at least the past century. One big current battle waged by the project is against Intel, the computer chip giant which has opened a vast plant west of Albuquerque. The chip plant's feverish appetite for water puts intolerable pressure on the scanty resources available to irrigate the ranches and plots of Hispanic farmers. The impact of Intel on New Mexico has been dire. Land prices have surged and the poor have been pushed from the northern part of the state. Watch for Bill Clinton's next summer vacation on the Ted Turner ranch up near Chama. (Southwest Organizing Project 211 10th Street, SW Albuquerque, NM, 87102)

Now for wilderness, a word that rarely sounds these days in the spacious office suites of outfits such as the Wilderness Society, over a third of whose annual budget pays for the lease on its sumptuous hq in northwest Washington, DC. Wilderness as an issue for the big green organizations went out of vogue more or less at the time Bill Clinton came to Washington.

Indeed, shortly after the 1992 election and not long before he was nominated as assistant secretary of the Interior, George Frampton, president of the Wilderness Society, came to Eugene, Oregon, and told a conference there that the great days of adding new lands to the wilderness system were now over and the coming task was to protect and spruce up the hard-won gains of yesteryear. There are no major campaigns being waged by the big green outfits. Nor does Frampton's call for protection and restoration have much to say for itself, as the Clinton administration has relentlessly reprogrammed already meager wilderness management budgets for road construction, salvage timber sales and kindred destructive activities.

The great hope had been for 5.7 million acres of Utah north of the Grand Canyon to be designated as wilderness.

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Instead, Clinton and Babbitt claimed to save about 1.6 million of those acres under the nebulous "national monument" status, meaning no new curbs on cattle grazing, off-road vehicles and firewood gathering. The move also did nothing to stop the biggest threats to the area, mineral exploration and oil and gas drilling. Indeed, Conoco recently announced its intention to start drilling inside the new monument. As Babbitt conceded, hope for protecting these lands as "wilderness" will now have to be postponed for "generations".

So, not a dime to the Wilderness Society or the National Parks and Conservation Association or the Sierra Club. Better to help:

•**The Alliance for the Wild Rockies,** the Missoula-based group run by Mike Bader. Since 1989 the Alliance has developed and promoted the Northern Rockies Ecosystem Protection Act, which would set aside 16 million acres of wild lands in Montana, Idaho and Wyoming — the largest swath of roadless land in the lower 48. Bader and his associates have fought against malevolent opposition to its bill by the Sierra Club, Audubon and the Wilderness Society, which had already brokered a deal with Senator Max Baucus, the Montana Democrat, to designate 2 million acres as wilderness, while ceding 99 per cent of the commercially exploitable forest land within the ecosystem to timber companies. The Baucus measure was a typical rocks-and-ice deal, abandoning everything else to the corporations. (Alliance for the Wild Rockies, POB 8731 Missoula, MT 59807 (406-721-5420).

•**The Northern Alaska Environmental Center in Fairbanks.** For years the big green organizations have raised millions of dollar with clamorous appeals to "save" the Arctic Naitonal Wildlife Refuge. And of course photographs, such as that found on the latest Sierra Club fundraising appeal featuring the Porcupine caribou herd against the backdrop of the Brooks Range, have a predictable effect as well-meaning donors dip into their pockets. The one thing the Sierra Club and the other big groups have never seriously fought for is the designation that would put the Refuge forever out of bounds to Arco, BP and Chevron. Wilderness status would do this instantly.

Now Babbitt is deliberating whether to open for oil company exploitation the largest unprotected wilderness area in the United States: the Alaska National Petroleum Reserve, which covers 25 million acres of mountains and tundra about 100 miles from the Refuge. The plan is to test environmentally sensitive drilling techniques (*i.e.*, see if anyone raises a stink) before applying these sensitive techniques to the Refuge itself.

The Northern Alaska Environmental Center is headed by Sylvia Ward, one of the few women to lead an environmental group, particularly one that deals with public lands issues. Aside from the demanding task of fighting off the oil companies in a state where every citizen receives an annual $1,500 cheque from the consortium, the Center takes the view that the best strategy is a good offense. "Let's get these areas designated as wilderness", Ward says, "and then go home". This approach violates the cardinal principle of professional environmentalism: never turn off a spigot from which another dollar might trickle. (Northern Alaska Environmental Center, 218 Driveway Street, Fairbanks, AK 99701-2875)

Not a dime to the Wilderness Society or the National Parks & Conservation Association or Sierra Club.

Back in the 1950s Rachel Carson's *Silent Spring* was a milestone in making the environmental movement more than just a campaign for the conservation of wild nature. Carson exposed the baneful impact of the chemical industry. In the wake of this attention Congress speedily passed the Delaney Clause banning all carcinogens from processed food. Well, last year the Delaney Clause was dropped at the urging of the Clinton administration and with the unanimous support of both houses of Congress and the approval of all mainstream enviro groups.

• Among the few dissenters was **Rachel's Health and Environment Weekly,** an indispensable bulletin put out by Peter Montague and his colleagues. Over the years Rachel's has been an invaluable chronicle of the toxic threats to communities. Montague and his associates have been particularly good at demolishing corporate pseudoscience — with an effectiveness attested to by a crackback lawsuit from Monsanto. (Environmental Research Foundation P.O. Box 5036, Annapolis, MD 21403)

• Equally combative is **Food & Water,** a group based in Walden, Vermont, and run by Michael Colby. Colby takes the view that almost all enviro lobbying in Washington is a waste of time and constitutes what he calls "activist malpractice". He and his group believe in anti-corporate campaigns, such as a successful effort to induce the Land O' Lakes dairy to decline milk from herds treated with the rBGH growth hormone. The group's latest campaign targets food irradiation, one of the last best hopes of the ailing nuclear industry. Food & Water's campaigns have been so successful that the group has now been threatened with a lawsuit from the United Fresh Fruit and Vegetable Association, under "food disparagement laws" now operative in thirty states. (Food & Water RR 1, Box 68D Walden, VT 05873 (802) 563-3300)

In the next edition of **CounterPunch** we'll continue this advisory, dealing with groups working on energy, forests, mining, native issues, international activities, whistleblowers inside the government and environmental groups, and environmental lawyers. ■

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(Budget, continued from p. 1)
ally, rising to $215 annually for people with incomes of $30,000 to $40,000, then up to $66,240 for people with incomes of $200,000 or more.

Bob Pollin, professor of economics at UC Riverside, laid out the basics for us.

There are two grounds for a tax cut: first, fairness and distribution; and second, efficiency, the latter being the conservative rationale.

In terms of distribution, it's perfectly clear who will benefit from lowering capital gains and estate taxes and this comes in the midst of the greatest relative upward shift in wealth in modern US history, even greater than during the 1920s. "To talk about tax measures that will only accelerate this trend," Pollin says, "is indefensible."

Nor does the efficiency argument hold up. The basic right wing argument is that these tax cuts will stimulate savings and investment, therefore raising everybody's economic well being. Essentially this is a trickle-down argument. With regard to capital gains, Pollin points out that there's no evidence that a tax cut encourages productive investment. A capital gains cut rewards equally anything that pushes up the value of an existing asset, which could be merely an increase in a company's worth based on stock market valuation. So a capital gains tax cut will actually increase the sort of stock market speculation we've seen in the past few years.

If you really wanted to increase productive investments, Pollin says, why not do it directly; for example, by offering firms that invest in productive equipment a tax break? Congress would of course never do this because most of its its members aren't interested in generating new productive investment but only in shrinking government and shifting wealth further upwards.

Pollin rightly stresses that the whole balanced budget mania is nonsense. It is based on the argument that a balanced budget will lower interest rates, thereby increasing investment and producing higher growth. But this is not true. The budget deficit has been dropping dramatically and interest rates have not dropped along with it. In any case, interest rates are not the prime factor in generating investment, it is demand for products. If you lower government spending you decrease overall demand, which will dampen growth, not produce it.

Just as the Clinton crowd hoped, the spotlight in the weeks to come will be on Archer and his Ways and Means Committee. As the money is ladled out to the very rich, the Democrats and perhaps even the great Commander-in-Chief will wave their rattles and perhaps indulge themselves in some mild populist posturings, but they know well enough who just got richer, and on the backs of whom. ■

Powell: Make the Blood Flow

The media's favorite political figure, Gen. Colin Powell, was the guest of honor at the April 26 "Summit for America's Future" in Philadelphia, which promised to "ignite a new level of volunteerism in the country". Donald Reed of NYNEX lauded Powell — "America's Chief Volunteer", as he was dubbed by *The Washington Post* — for his public spirit, saying that his involvement in the summit "makes the blood flow a little faster".

In a less noted public appearance, Powell himself came out in favor of making the blood flow faster in Indonesia. During a recent lecture swing through Asia, a trip sponsored by Citibank, Powell delivered a speech in Jakarta in which he called for the immediate sale of F-16s to the Suharto dictatorship. "Arms sales to Indonesia should be based on the entire agenda of issues between the United States and Indonesia, not on the single issue [of human rights]", Powell told his audience of business executives and government officials. Most of Indonesia's air force consists of US planes and the Clinton administration wants to sell another nine F-16s to Jakarta. The deal has thus far been blocked by Congress.

Powell also called for continued US economic and military aid to the Suharto regime, including training through the International Military Education Training (IMET) program for Indonesia officers. IMET for Indonesia was recently renewed after having been suspended in 1992 following the bloody crackdown in East Timor. ■

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